

HUNGRY HORSE COUNTY WATER AND SEWER DISTRICT BOARD OF DIRECTORS' REGULAR MEETING

Thursday, December 16, 2021

Location: Water District Office, 528 Colorado Boulevard, Hungry Horse, Montana

Personal Protective Equipment Optional

Call to Order: President Wagner called the meeting to order at 6:02 p.m.

(02:37) Those present: President Wagner, Vice President Vivian Allen, Chief Financial Officer Jamie Foster, Director Brent Schmidt.

Staff: General Manager/Operator Ben Shafer. Bookkeeper Cassie Ferguson arrived at 6:08 p.m.

Excused absence: Director Hardesty and Secretary Venable

(03:06) Public Comment: None

(03:10) Minutes: The Board reviewed VP Allen's additions and alterations to the November 18, 2021 Meeting Minutes.

Director Schmidt moved to accept the minutes from the November 18, 2021 meeting as corrected and amended. All in favor. All ayes. Unanimous. Motion carried.

Resolved to accept the minutes from the November 18, 2021 meeting as corrected and amended.

(03:30) VP Allen explained two corrections to the USDA's loan calculations that had been reported to the Board during last month's meeting:

1. Reported during the November 18, 2021 meeting: The calculation made by Jenifer Baldassin, of the USDA Rural Development, regarding the smaller loan, should the forty two thousand five hundred dollars (\$42,500.00) lump sum be paid, this would cut off one hundred nine payments (109) resulting in ninety nine thousand four hundred eight dollar (\$99,408.00) reduction in the total amount paid.

Correction: \$56,908.00 would be the reduction (savings) in the total amount paid; not \$99,408.00

2. Reported during the November 18, 2021 meeting: The calculation made by Jenifer Baldassin, of the USDA Rural Development, was the larger of the two loans would adjust down from three hundred two (302) payments to two hundred fifty nine (259) payments for total savings of one hundred eleven thousand nine hundred twenty nine dollars (\$111,929.00).

Correction: \$69,429.00 would be the corrected amount of total savings; not \$111,929.00

(05:58) Bookkeeper Cassie Ferguson arrived and joined the meeting at 6:08 p.m.

Reports: *Reports from monthly meetings are available from the District's office upon request.*

1. (06:55) Bookkeeper's Report – Bookkeeper Ferguson submitted all financial reports and answered questions regarding:

- Payroll Summary Report - not available ;Bookkeeper will provide these
- Unpaid Bill Detail dated 12/13/2021
- Check Detail November 18 through December 16, 2021
- Annual Financial Report for the State of Montana was previously signed by President Wagner and Bookkeeper Ferguson and had been submitted to the State.
- Cost Savings Estimate – No discussion

(16:17) VP Allen moved we approve the *Annual Financial Report* the President and Ms. Ferguson signed and that she is authorized at the bank to do the ACHs for the District. All in favor. All ayes. Unanimous. Motion carried.

Resolved we approve the *Annual Financial Report* the President and Ms. Ferguson signed and that she is authorized at the bank to do the ACHs for the District.

(18:28) President Wagner signed the American Rescue Plan Act application forms applying for the government's assistance with the District's new telemetry costs and the costs of insulating the pump houses.

- **(24:53)** Correspondence was received from customer accounts #106, #107 and #108 stating these accounts would be paid. Account #73 requested information about their own account and account #280 requested a name change.

(26:33) Director Schmidt moved that we pay the unpaid bills for December. All in favor. All ayes. Unanimous. Motion carried.

Resolved we pay the unpaid bills for December.

- **(27:18)** Discussed the financial ability to begin paying down District loan balances as a way to save money in the long run and for the possibilities of a reduction in the rates charged to water customers.

(01:03:10) VP Allen moved that we pay off this month sixteen thousand dollars lump sum on the smaller RD Loan. All in favor. All ayes. Unanimous. Motion carried.

Resolved we pay off this month sixteen thousand dollars lump sum on the smaller RD Loan.

(01:03:29) VP Allen moved that we also apply as a lump sum payment to the smaller RD Loan whatever refund we receive from the ARPA grant. All in favor. All ayes. Unanimous. Motion carried.

Resolved that we also apply as a lump sum payment to the smaller RD Loan whatever refund we receive from the ARPA grant.

Future lump sum loan payment amounts, the possibility of setting aside ten percent of the District's income and funding of the Depreciation Account will be on the January 2022 agenda for further discussion.

2. Manager's Report - GMO Shafer read his written report aloud and answered questions.

- **(01:10:22)** Telemetry Update
- **(01:11:33)** Monthly Report - The GMO determined and the Board agreed, as a cost savings measure, to cancel the District's leased phone lines and enter into a two year contract, with CenturyLink, for the office phone and an internet bundle.

(01:21:21) Summary of activities

- (01:38:20)** Report on USDA Rural Development Loan Refinance Options – USDA does not directly offer refinance options, but would direct the District to institutions should the District want to pay an outside person to process a refinance. It was discussed that Jen Baldassin, of RD, had previously advised it would take a long time to get profit out of re-financing the loans and recommended just paying ahead on them.

(01:39:13) Unfinished Business

1. Discussion/Adoption of District Corporate Seal: A revised version of the design was reviewed. Discussed letterhead and rubber stamp ideas and the costs incurred to date were also discussed. No adoption was made.

2. (01:48:00) Bylaws – Tabled until a Special Meeting is held

(01:48:56) President Wagner gave VP Allen a copy the District's attorney's email reply to President Wagner's questions regarding Robert's Rules, Draft By-laws, and Removal or censuring members of the board.

3. (01:50:38) Change to Rules and Regulations Article XIV Section 1, 2d Reading: Revisions made by the Rules and

Policies Committee were reviewed, but as they had not been provided to the Board ahead of time the topic was tabled.

4. (01:51:42) Review Rate Structuring and/or Sprinkling Rate: Tabled.

5. (01:54:49) Mileage Reimbursement Discussion for Employee Policy:

The current Bookkeeper and Secretary's mileage reimbursement will remain as the District approved at time of hire. The current Back-up Operator's mileage was recently approved by the board as what he had been accustomed to receiving. The Board discussed IRS guidelines as being a reasonable standard for all future hires.

6. (01:55:55) Phone reimbursement Discussion for Employee Policy: Tabled

7. (01:56:18) Discussion of Backup Operator's Job Description for New Hire – President Wagner suggested to expand the Backup Operator's job description, duties and training in order to have the water system in capable hands in the event the GMO is not available, on vacation, or while working at his other places of employment. The board will evaluate and set the wage before the new Backup Operator is hired. The Board discussed the possibility of the three water districts (Hungry Horse, Coram and Martin City) working together and help each other out with the operator's position and coming up with a reasonable, living wage for the position.

8. Low Income Water Assistance Program – no discussion

9. (02:00:40) Status of Task Register Completions and Work Session How To Use Task Registers: GMO Shafer had not had time to produce his google task list for the Board and Staff and has found that creating a new task list is more involved than he originally thought. He will be publishing a guide for how to use a google spreadsheet and will also conduct training for everyone during a future meeting. He will send his new spreadsheet to everyone prior to January's Board meeting.

(02:01:47) The **(02:01:47)** The question was raised as to what the process would be after the State rules are changed for lead and copper levels. GMO offered it would depend on how strict the new rules will be. In the case of a high level reading, the customer's service lines could have to be replaced (by the customer, if they wish to reduce the levels) from the District's water pipe to a house and everything past the meter would be suspect. The District's water tests at acceptable levels in the District portion of the system. At this time, the changes to State rules are in progress and have not been finalized.

New Business – No discussion.

(02:03:53) GMO Shafer and Bookkeeper Ferguson were dismissed from the meeting.

(02:04:48) Audio recorder was paused. Directors went into a closed, executive session. 8:07pm, immediately upon or immediately prior to pause of the recording

(02:04:51) Directors came out of the executive session and back into a public meeting at 8:22 p.m.

No further discussion.

(02:05:11) VP Allen moved to adjourn. All in favor. All ayes. Unanimous. Motion carried.

Resolved to adjourn.

Signed _____ Date _____

President Douglas T. Wagner

Attested _____ Date _____

General Manager Ben Shafer